GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:6757
ANSWERED ON:10.05.2005
GEMOLOGICAL INSTITUTE
Reddy Shri Magunta Sreenivasulu

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether 93% of the diamond sold in the world market is cut and polished in India;

(b) if so, whether is any proposal to start gemological institute to train man power to change designs and enhance the quality of its product to compete in the growing world market;

(c) if so, the details thereof; and

(d) the steps being taken to promote ready-made jewellery export which has the potential to earn foreign exchange?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a): India is accounting for about 92% of the world`s cut and polished diamond market in terms of pieces. However, our market share in the cut & polished diamonds is about 60% by value.

(b)&(c): There is no proposal at present under the consideration of the Government to start any Gemomological Institute. However, setting-up of any such Institute does not require any specific approval from Ministry of Commerce and Industry.

(d): In the existing Foreign Trade Policy export of gem and jewellery including ready-made jewellery has been identified as a thrust sector and has been extended the following facilities:-

(i) Import of gold of 8k and above shall be allowed under the replenishment scheme subject to the import being accompanied by an Assay Certificate specifying the purity, weight and alloy content.

(ii) Duty free import entitlement of consumables for metals other than Gold, Platinum shall be 2% of FOB value of exports during the previous financial year.

(iii) Duty free import entitlement of commercial samples shall be Rs.300, 000.

(iv) Duty free re-import entitlement for rejected jewellery shall be 2% of the FOB value of exports.

(v) Cutting and polishing of gems and jewellery, shall be treated as manufacturing for the purposes of exemption under Section 10A of the Income Tax Act.

Some other facilities extended to the Gem & Jewellery export sector include duty and license free import of rough diamonds, direct procurement of rough diamonds from diamond mining countries, creating training infrastructure in this sector with the financial assistance from the government to impart skills in designing in jewellery sector, participation in international fairs and organizing buyer-seller meets abroad.